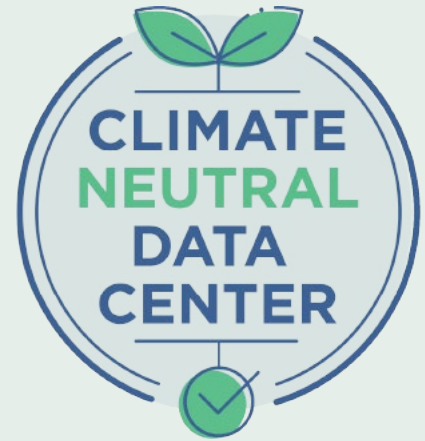


# Climate Neutral Data Centre Pact Governance



To administer the self-regulatory initiative for climate neutral data centres, Cloud Infrastructure Service Providers in Europe (CISPE) and the European Data Centre Alliance (EUDCA) will create a governance coalition. The coalition will be known as the Climate Neutral Data Centre Pact (the Pact).

## Mission

The Climate Neutral Data Centre Pact's main purpose is to administer the Climate Neutral Data Center – Self Regulatory Initiative (the Initiative). The Pact works collaboratively with trade associations and data centre operators that have signed the Initiative and other industry stakeholders. The Pact coordinates communications between the signatories of the Initiative and the European Union. The Pact promotes and advances the sustainability of cloud computing, data centres, and the technology necessary to support a climate neutral digital future.

## Participation

The Initiative may be signed by trade associations representing data centre operators and companies that own or operate data centres within the European Union. Signatories of the Initiative are agreeing to meet the requirements of the Initiative and submit to the governance of the Pact. All signatories of the Initiative are invited to join the Pact. All data centre owners or operators that sign the Initiative will be referred to as Pact Operators; all trade associations that sign the Initiative will be referred to as Pact Associations; all stakeholders that have not signed the Initiative will be referred to as Pact Observers. Pact Operators, Pact Associations, and Pact Observers are all collectively Pact Parties. Pact Observers will be approved by the Board of Directors of the Pact and must demonstrate a clear connection to the data centre industry to be declared a Pact Observer. Pact Observer status may be removed by the Board of Directors at any time.

## Meetings

The Pact will organize no fewer than four meetings in each calendar year for Pact Parties, including biannual meetings with the European Commission. The Board of Directors Pact will set the meeting schedule. The schedule of Pact meetings for 2021 will be announced in January 2021. The biannual meetings with the European Commission will be announced as soon as they are scheduled, with no fewer than 45 days-notice to all Pact Parties. In subsequent years, the full schedule of meetings for the upcoming year will be announced on or before December 1. Meeting agendas will be circulated by a member of the Board of Directors, or their designee, to all Pact Parties at least 5 business days prior to a meeting and notes will be taken and shared to all Pact Operators and Pact Associations. All Pact Operators and Pact Associations will attend at least one meeting per year with the European Commission. Pact meetings will be open to all Pact Parties. Pact Observers may audit Pact meetings as non-voting attendees.

## Leadership

The Pact will initially be administered by the secretariats from CISPE and EUDCA. By July 1, 2021, the Pact will create a Board of Director with six available seats. The Board of Directors will include one representative from CISPE and one representative from EUDCA. Two additional seats will be available to Pact Associations. The final two seats will be available to Pact Operators.

The two seats for Pact Associations and two seats for Pact Operators will be for a duration of two years, beginning on January 1 and concluding on December 31 of the following year. The Board of Directors will elect one Chair. The Chair of the Board of Directors will serve a one-year term.

Board of Director positions will be filled through Pact elections. Pact Operators will vote to fill the two Pact Operator Board of Director seats. Pact Associations will vote to fill the two Pact Association Board of Director seats. Each Pact Operator and Pact Association will have one vote. The first election will be held in January 2021. Subsequent elections will be held in the fourth quarter of the year before the end of the term of the current term of Board of Directors positions.

If a Board of Directors position becomes vacant for any reason, the remainder of the term will be filled by a substitute. An election to fill the term will be held within 60 days of the position becoming vacant. If a Board of Directors position becomes vacant within 60 days of the end of the current term than the position will remain vacant until the next scheduled election.

The Board of Directors is responsible for coordinating all meetings and overseeing voting processes, decision-making, and any workgroups. The Board of Directors has no additional voting authority, and may only vote in decision-making processes if they are voting on behalf of the Pact Party they represent. During their tenure, all members of the Board of Directors will attend the semi-annual meetings with the European Commission. They must also attend at least 75% of the Pact meetings each calendar year.

## Website

The Pact will create a website to make information about the Initiative available to the public. The website will include the text of the Initiative, the list Pact Operators and Pact Associations, and information about upcoming meetings and events of the coalition. The website will serve as the main forum for distributing information to Pact Parties.

## Structure

The Pact will create workgroups to address particular issues related to the Initiative. All workgroups will be open to all Pact Parties. Workgroups must include no fewer than one Pact Operator and one Pact Association. Workgroup activities, meeting notes, and outcomes will be reported to all Pact Parties. Workgroup meetings will be open to all Pact Parties.

### **The Pact will create three workgroups in 2021:**

- 1. Water conservation Workgroup:** This group will develop a proposal for the correct water metric and associated target for water conservation.
- 2. Circular economy Workgroup:** This group will gather input and data from signatories about the appropriate reuse and repair target and develop a proposal for the reuse and repair target.
- 3. Efficiency metric Workgroup:** This group will begin develop a proposal for a new data centre efficiency metric.

The creation of additional workgroups must be approved by two thirds of the Board of Directors.

Workgroups may only make recommendations to the Pact. Workgroups may organize around a single Chair that will schedule meetings, officiate meetings and be responsible for reporting workgroup activities and meeting notes to all Pact Parties. Workgroups may be chaired by a single individual or several Co-Chairs that divide responsibilities accordingly. There will be no formal process for selecting workgroups Chairs unless it becomes necessary in which case, the Board of Directors shall propose a process for selecting work-group Co-Chairs, which must be approved by a majority vote from all voting Pact Operators and Pact Associations.

## Decision Making and Changes to the Initiative

A key role of the Pact is to facilitate decision making processes related to changes to the Initiative.

### **Changes to the Initiative**

All changes to the Initiative will be made with a thorough consultation process and will be reviewed and open for discussion in at least one Pact meeting. Prior to presenting a change in the Initiative to the European Commission, Pact Operators will vote on the change. At least two thirds of voting Pact Operators must support any change to the Initiative.

Once a change has been agreed upon, it will be presented to the European Commission at least 60 days before a planned meeting between the Pact and the European Commission. After review by the European Commission and the closure of a joint European Commission and Pact meeting, the change will be considered approved.

If any additional changes are proposed through consultation with the European Commission, then Pact Operators will have at least 30 days to review. After review, Pact Operators will vote to approve or reject the European Commission's proposed change.

A vote to support the change must be approved by at least two thirds of voting Pact Operators. If a vote to support the change fails, Pact Parties will develop an alternative change to the Initiative. The alternative change will be available for review to all Pact Parties at least 30 days before a vote. After that period, Pact Operators will vote on the alternative change. That change will also need at least two thirds of voting Pact Operators to be approved. If the change fails a second time, the process will repeat again until a change is agreed on by the Pact Operators. After a change is agreed on by the Pact Operators, it will be presented to the European Commission again and considered final unless objections are raised by the European Commission.

In the case where a change is made to a metric included in the initiative, the change will apply to the next assurance cycle, as long as it has been approved more than 12 months before the start of the period of measurement for the next assurance cycle.

### **Other decision-making processes**

Decision-making processes for the Pact that do not make changes to the Initiative will be decided by a simple majority of voting Pact Operators and Pact Associations and will take place regularly in meetings.

All items that will be voted upon will be posted as part of a meeting agenda that is circulated to Pact Parties at least 5 business days prior to a meeting.

### **Voting**

Votes on all Pact decisions can be conducted by voice or through an online voting system. All Pact votes will occur only in Pact meetings and will not take place in meetings with the European Commission. In the case of a tie, the Board may call for a re-vote. If a re-vote results in a second tie then the decision will be considered defeated.

## Certification

### **Pact Operators must certify adherence to the Initiative by one of:**

1. Engaging a Pact approved third-party assurance firm – the Pact is currently engaged with Bureau Veritas who can provide all necessary support.
2. Electing to contract with an assurance firm of their own choosing.
3. SME Pact Operators (with fewer than 250 full-time employees) will be permitted to self-certify their adherence and report by following the process link here.

By no later than July 1, 2023, signatories will certify adherence. The initial period of measurement will cover January 1, 2022 through December 31, 2022. Following the first certification, adherence will be recertified every four years. Each assurance cycle will be due to the Board by July 1 of that year and will cover a period of measurement from the prior year. Data centre operators that wish to sign the Initiative on or after January 1, 2022 will certify adherence by July 1 following the first calendar year of measurement.

In cases where the assurance process identifies that a signatory fails to meet a requirement outlined in the initiative, a period of 60 days will be allowed for the signatory to submit a plan to the Chair of the Board of Directors for resolving the issue. The signatory must then resolve the issue within 6 months of submitting the plan.

All Pact Operators in good standing may display a Climate Neutral Data Centre Pact badge on their website or other materials. All Pact Associations shall display the Climate Neutral Data Centre Pact badge on their website and shall provide a link to the Pact website.

### **Self-Certification Process:**

1. Self-certifying Pact Operators copy the template letter (below) and complete it.
2. They address it and deliver it to the board of a Pact Association that they are a member of (written or electronic).
3. The Pact Association tracks all letters received and submits to the Board of the Climate Neutral Data Centre Pact a list of each company who has submitted. This submission should happen prior to and no later than July 1st of each year.
4. As needed, the Pact Association, or the Board of the CNDCP may ask a self-certifying Pact Operator to provide evidence of compliance, including information on their methodology for tracking adherence and results.
5. The Board of the CNDCP will contact the Pact Association if a Self-Certifying Pact Operator from a previous year has NOT submitted a current letter. The Pact Association will verify if this is an oversight, or the Pact Operator has chosen to lapse/withdraw.

## **Template letter**

*(Date of Submission)*

*(Addressed to Pact Association)*

*I declare that \_\_\_\_\_ is a Pact Operator that qualifies to self-certify to the Climate Neutral Data Centre Pact Self-Regulatory Initiative as our staff levels for the reporting period is below the 250 people FTE threshold. We are a member in good standing of a Pact Association.*

*Furthermore, I declare that we have a process in place to measure our adherence to the Self-Regulatory Initiative and that we fully adhere to the targets established.*

*Signed on this date \_\_\_\_\_ :*

*(Signature)*

*(Name)*

*(Director/Executive Position)*

## **Reporting**

Once per year the Board will report the names and status of all Pact Operators as Signed – a Signatory Operator but not yet reached date of certification of adherence; Certified – Board has received evidence of up-to-date third-party certification; Lapsed/Withdrawn – Signatory has formally withdrawn; has failed to meet requirements; or not re-certified; Self-Certified – signatory has followed the process and has not Lapsed/Withdrawn.

**Each report will be made available on the Climate Neutral Data Centre Pact website.**

## Signature Process

Prior to April 1, 2021, a data centre operator or trade association may sign the Initiative by informing the secretariat of either CISPE or EUDCA that they are signing the Initiative. This will be done by providing a written communication to either secretariat. Once a Board of Directors is chosen, data centre operators or trade associations may sign the Initiative by informing any member of the Board of Directors, through a written communication, that they wish to sign the Initiative.

## Removal or Resignation

In the case where a Pact Operator or Pact Association that signs the Initiative fails to adhere to any of measures of the Initiative, they will be removed as a Pact Association or Pact Operator from all public listings of the Pact. Former Pact Operators and Pact Associations may become Pact Observers. Pact Operators that sign the Initiative and fail to adhere to any of measures of the Initiative will also be expelled from all Pact Associations of which they are a member.

Any Pact Operator or Pact Association may voluntarily step down and request to be voluntarily removed from the Initiative. Requests to be removed will be granted within 30 days of written notice to any Director of the Board and will be made effective when the entity's name is removed from the website list of Pact Associations or Pact Operators.

## Additional Activities

All activities of the Pact will be directed to the administration of the Initiative. The Pact may develop policy positions and communicate such positions to the European Union via Pact Associations collaboratively. The Pact may collect information about the data centre industry and release periodic reports about the sustainability of the data centre industry. The Pact will work to promote the importance of data centres in reducing energy consumption from the ICT sector. The Pact may also work with research agencies to study emerging technologies or solutions that can advance the sustainability of the data centre industry.